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SUMMARY

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(SITE)**NAME, OFFICE SYMBOL, BLD. ROOM NO.****PHONE NO.**
OR
EXTENSION**TO:****DELIVER TO:****A**Fred Hutchinson
Vice Chairman, NIC
7E62 HQS.

25X1

NSC review completed.

Page Denied

These "Corollaries" are extremely important in the decade ahead in which we foresee continued serious, significant vulnerability to our space-borne platforms.

C. Findings and Observations of the Board's National Intelligence Estimates (NIE) Evaluation Committee.

The Board's recommendation for the conduct of an experiment in competitive analysis, commented on above, originated in a study performed over a six-months' period by its NIE Evaluation Committee. This study was completed in April 1976, in the form of an extensive report which contains observations on the intelligence process, and proposes a number of suggestions for improvement in addition to the competitive analysis experiment.

The summary of this report follows.

Based on four months of effort, which included: discussions with approximately 40 authorities in and out of the intelligence community (IC); a review of the IC's 10-year record in strategic forces estimating; and reconsideration of the Board's perception of deficiencies in NIE 11-3/8-74, in the light of NIE 11-3/8-75, the Committee finds that:

-- The NIE 11-3/8 series is not highly respected for the power to sharply illuminate the range of threats and their implications relative to the decision-makers' responsibilities. These Estimates are widely regarded as representing consensus judgments achieved by arbitration and conciliation wherein institutional pressures shape -- and corrupt -- the purposes of the NIE and the interpretation of data therein. Thus, the NIEs breed degrees of disbelief and are often ignored, misused and challenged for political as well as technical reasons.

-- Fundamental to an understanding of potential consequences is a net evaluation of the strategic capabilities and vulnerabilities of the U. S. and USSR. The IC is not constituted to perform this kind of analysis, yet certain NIE judgments involve a net assessment and the user may thus be led to believe that such analysis has been conducted.

-- The generally negative receptivity is serious, regrettable and alarming. The NIEs should signify the very best that our system of intelligence can offer; they should command uniform respect as major contributors to the conduct of national security affairs.

-- In assessing why the NIE 11-3/8 series is deficient, we judge that the user frequently demands one answer or one best judgment or is so perceived by the IC which then responds with its "best effort" even where the data available does not permit a single answer or where the user actually requires alternate interpretations. Thus, unrealistic user demands (sometimes expressed and sometimes assumed) and a compliant IC result in a product that ultimately does not satisfy.

The Committee has also reconsidered the Board's earlier suggestions for experimenting with means of improving the NIE process, as expressed to the President on 8 August 1975, and concludes that:

-- In the belief that a competitive environment would make the most of situations where the IC only has incomplete information, an experiment in "competitive analysis" under the DCI should be undertaken with respect to a few critical issues (e. g. , ICBM accuracy, Soviet ASW, Soviet strategic objectives). A competitive group composed of government and non-government experts should address these issues in parallel to the regular NIE process with full access to all relevant data.

-- The results of this process should be subjected to a net evaluation under the aegis of the National Security Council conducted by an entity which includes the Departments of State and Defense as well as the IC. Ultimately, the net evaluations should be critiqued by the Under Secretaries Committee and the results forwarded to the President.

In addition to the foregoing, the following collateral items were also adduced:

-- Soviet intentions, objectives and tactics deserve more comprehensive treatment, perhaps in a separate NIE.

-- The DCI should consider establishing a small (no more than six), part-time group of "elder statesmen" who, with full access to all of the evidence, would review selected NIEs prior to publication.

-- A study should be made to determine whether the IC has an affirmative obligation to declassify and provide information to the public, and whether the IC should specify which of the key judgments in the NIE it is willing to be held publicly accountable for five years hence.

-- The IC should reassess the function of the NIE, the variety of readership that must be served and the kinds of topics most important to each; it may be preferable to place greater analytic emphasis on a narrower range of topics in lieu of a single NIE on Soviet offensive and defensive forces for intercontinental conflict.

An Intelligence Estimates Evaluation Committee should be made a permanent body of the PFIAB, with a rotating membership.

D. Communications and Computer Security.

Signals intelligence techniques have become widely understood and employed by many nations for intelligence purposes and, to a lesser extent, by individuals for illegal purposes. The degree of sophistication of these activities will undoubtedly grow and we anticipate serious vulnerabilities in the decade ahead from both foreign governments as well as from private citizens intercepting U. S. communications and tapping into computer data storage facilities. Openly available "how-to-do-it" literature and equipment appears likely to encourage an increase in this latter category. Individuals -- when caught -- are prosecuted. Governments, on the other hand, enjoy diplomatic immunity and thus are largely beyond the force of law.

We believe there is a need to examine thoroughly the legal, social and political implications of this growing hazard, and the extent of the